



Committee on Labor and Public Employees
Senate Bill No. 221: *An Act Concerning Paid Family Medical Leave*
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The Connecticut Women's Education and Legal Fund (CWEALF) is a statewide non-profit organization dedicated to empowering women, girls and their families to achieve equal opportunities in their personal and professional lives. For decades we have advocated for strategies to increase access for women to workplace policies that are fair and support their economic stability.

CWEALF co-chairs the Connecticut Campaign for Paid Family Leave, along with the Permanent Commission on the Status of Women. The Campaign is a coalition that has been dedicated to implementing a system of paid family and medical leave in Connecticut since 2012. Our coalition is comprised of more than 60 organizations representing a variety of interests: elder care, women's health, long-term illnesses, children's groups, special needs, pediatrics, labor unions, religious groups, domestic violence, and low-income advocacy organizations.

Please accept this testimony on Senate Bill No. 221: *An Act Concerning Paid Family Medical Leave*.

Today's Workers Need Paid Family and Medical Leave

The Campaign applauds the committee for drafting a comprehensive bill to address the current needs of employees in this economy and for advancing a similar bill during the 2015 session with bipartisan support.

Currently, both the federal and state Family and Medical Leave Acts provide only unpaid leave to workers who have a serious medical condition, need to care for a family member with a serious medical condition, for the birth or adoption of a child, to serve as an organ or bone marrow donor, or to care for an injured member of the military. While these laws were a great first step in the early 1990s, they need to be modernized to address the current challenges of hard-working employees and their families.

The current FMLA is not accessible to most people. First, the federal and state laws only apply to large companies, and therefore do not cover approximately 40% of the workforce.¹ This leaves a large portion of the population that can be fired if they become seriously ill. With this bill, the committee has recognized that employers of all sizes have workers who face serious medical conditions and urgent caregiving needs.

However, even people who *are* covered by the law often do not use the unpaid time from work because they simply cannot afford it. Workers who take unpaid leave risk failing to pay their bills and their medical expenses, a higher incidence of bankruptcy and reliance on public assistance, and economic devastation for their families. In fact, new mothers with paid leave are 39% less likely to use public assistance, 40% less likely to need food stamps, and 54% more likely to experience a wage increase in the following year.²

Paid Family and Medical Leave is Good for Business

Aside from the benefits to workers and families, paid family and medical leave has significant benefits for businesses and the economy. In the past year, large businesses like Microsoft, Adobe, Netflix, and Hilton have expanded their parental leave policies. The reason is simple; it benefits their bottom line. It fosters greater attachment to the labor force, increases morale, boosts productivity, lowers turnover costs, and attracts top-notch workers.³

Small businesses, like the ones on our Campaign, will tell you that when emergency strikes an employee, they do the best they can to take care of that employee, whether it be by providing a short-term disability or providing partial pay for as long as the employer can manage it. While those efforts are admirable, those temporary solutions are currently costing the employer. With paid family leave, that burden would be lifted from employers' shoulders, and shifted to the self-funded system proposed in this bill.

In addition, we've learned from other states that paid leave works for businesses. In California, a state that has had paid leave for more than 10 years, almost 90% of businesses surveyed many years after the implementation of paid family leave reported that it had a neutral or positive impact on business.

Important Characteristics of a Plan:

- *High Rate of Reimbursement:* In order for paid leave to be useable by most employees, a high rate of reimbursement is required to provide a liveable wage. This is especially important for low-wage workers, and is emphasized in the recent implementation report mandated in the 2015 legislative session. *"Because workers who make less than the state*

¹ "The Family and Medical Leave Act at 22: 200 Million Reasons to Celebrate and Move Forward," National Partnership for Women and Families, February 2015.

² Houser, Linda and Vartanian, Thomas P., "Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses, and the Public," Rutgers Center for Women and Work, January 2012.

³ "Paid Family and Medical Leave: Good for Business," National Partnership for Women and Families, July 2014.

*average may find it very difficult to live off of a reduced benefit, it is strongly recommended to provide a higher wage replacement level than exists in other states.”*⁴

We support the bill’s wage replacement of 100% of an employee’s wages, up to a cap of \$1,000/week.

- *Length of Leave:* The Campaign recommends up to 12 weeks of leave per year, which mirrors the federal statute, and simplifies guidelines for employers. While the three other states with paid family leave have shorter family care leaves (4-6 weeks), they have much longer leave for individual illness (26-52 weeks). Sufficient time to meet family and medical needs is critical in making this system meaningful for employees.
- *Job Protection:* As all employees will be contributing their wages to the system, they should also be returned to their jobs following the leave. This keeps employees attached to the labor force and lowers turnover costs for employers. *“In California, a study by the Employment Development Department shows that the lack of job protection is one of the main reasons workers do not take the leave for which they are entitled.”*⁵ Currently, all employees covered by FMLA have job protection, and this bill would extend it to all employees contributing their wages to the system.
- *Family Members:* Currently, only a parent, spouse, and child under 18 are included in the definition of family member. *“A family leave program should include a broad definition of family to reflect the lives of workers today.”*⁶ Adding sibling, grandparent, and grandchild to the list will accommodate the realistic needs of today’s multi-generational households and allow employees to tend to their loved ones. This is especially important to the aging community. Currently, only minor children and those above 18 years-old who are incapable of self-care because of a mental or physical disability are covered. Children of all ages should be included.

The System is Sustainable

During the 2015 legislative session, many lawmakers asked whether this system would be sustainable. The implementation report included an “actuarial and financial feasibility” study to determine whether the program in the proposed bill would be financially sustainable. The research revealed that approximately 102,000 leaves would be taken each year, with a person’s own serious illness comprising the vast majority (74%) of claims.

The system is self-sustaining and therefore does not require yearly funding from the state to operate or distribute compensation. The total cost of compensation for leaves and administration of the program is \$462.4M, and would be sustained by a contribution of 0.54% (1/2 of one percent) of employee earnings.

⁴ Glynn, S.J., Goldin, G, and Hayes, J., “Implementing Paid Family and Medical Leave Insurance: Connecticut,” Institute for Women’s Policy Research, p. 34, February 2016.

⁵ Glynn, S.J., Goldin, G, and Hayes, J., “Implementing Paid Family and Medical Leave Insurance: Connecticut,” Institute for Women’s Policy Research, p. 34, February 2016.

⁶ Id.

Please advance this bill to help workers create their own safety net for the emergencies we all face throughout life. Thank you for your consideration and time.